United Nations DP/CPO/LIT/1

Executive Board of the United Nations Development Programme and of the United Nations Popu[illegible] Fund

Distr.: General
7 April 2003

Original: English

Annual session 2003
6 – 20 June 2003, New York
Item 6 of the provisional agenda
Country programmes and related matters

Country programme outline for Lithuania (2004-2006)

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I. Situation analysis

1. In 2002, Lithuania successfully completed the negotiations process and was invited to join the North Atlantic Treaty Organization (NATO) and the European Union (EU). Along with these remarkable political achievements, significant economic and social gains were made: the currency was successfully re-pegged to the euro; a growth rate of 5.9 per cent was reached; and the rate of unemployment started to show signs of decline at 10 per cent. National action plans for poverty reduction and the promotion of human rights were approved, and programmes against trafficking in women, on anti-corruption, and prevention of drug abuse, as well as a strategic plan for development of the information society launched. Lithuania was ranked 49 in the Human Development Report of 2002, placing it in the high human development category for a second consecutive year.

2. During the immediate post-accession period, national priorities will focus on the euro-integration agenda and effective utilization of EU funds in accordance with the Single Programming Document for the 2004-2006. According to the 2002 Regular Report on Lithuania's Progress Towards Accession (www.eudel.lt/en/eu_and_country/report.htm), issued by the European Commission, Lithuania has established the necessary legal frameworks and administrative structures. However, there are concerns about existing capacities for the full application of laws and the fragility of new institutions, as well as for funding and coordination. Some fiscal pressure will be exerted on the state budget for the provision of matching funds for EU assistance, which may affect the financing of social interventions. Poverty remains a persistent problem at about 16 per cent on average, twice as much in some rural areas. Agricultural sector lags behind in competitiveness. Information technology usage remains relatively low (7 per cent use the Internet regularly and 80 per cent of those are in six major cities). There are still unresolved pension and health reforms issues. Although Lithuania still has one of the lowest infection rates in Europe, the outbreak of HIV in prisons has doubled in number since last spring. Lastly, the closure of the Ignalina nuclear power plant requires rethinking of Lithuania's energy policy and mitigating its social impact.

3. The challenge for Lithuania in the near future is to ensure quality membership in the EU while taking care that there is equitable development for all. Democracy and the rule of law are firmly established and the market economy is fully functioning, but the gaps between regions and between rural and urban areas are increasing. There is a need to ensure the sustainability of civil society organizations (CSOs) and empower the people to engage actively in decision-making and contribute to the betterment of their lives.

4. At the same time, Lithuania is becoming an emerging donor as an EU member with plans to join the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC). A draft official development assistance (ODA) policy and strategic documents on Lithuania's role in multilateral, bilateral and regional forums have been formulated.

II. Past cooperation and lessons learned

5. Poverty reduction and good governance were identified as crucial elements of development especially relevant to Lithuania's situation and UNDP's mandate in the last country cooperation framework (CCF) for 2001-2003. By applying a human rights approach, the CCF strengthened the country's capacity to promote good governance and consolidate an open and democratic society with a view to the reduction of poverty and social inequalities. It also contributed to fostering an environment that allows citizens to exercise their rights and to participate fully in progress.

6. As an overarching objective, human rights advocacy was significantly advanced. A National Human Rights Action Plan was formulated through a participatory process led by the parliament, the first one under the global human rights strengthening programme. A wide advocacy campaign was carried out promoting tolerance and equal opportunities for all.

7. With regard to the promotion of civil rights and good governance, the juvenile justice programme succeeded in having a major impact on the development of a modern juvenile justice system, as noted by an external evaluation (www.nplc.lt/nj/English/Documents/Ext_eval/Ext_Evaluation.doc).

8. With regard to the of promotion of economic and social rights, UNDP facilitated a participatory process to transform the National Poverty Reduction Strategy into a practical Action Plan for Poverty Reduction.

The plan is designed as a precursor to the EU Joint Inclusion Memorandum and consequent National Action Plan for Social Inclusion. This process strengthened a coherent approach encompassing cross-sectoral cooperation and recognized CSOs as partners in poverty reduction.

9. UNDP advocacy and facilitation of the dialogue across sectors has placed HIV/AIDS as a prominent issue on the social agenda and contributed to the development of a national strategy for HIV/AIDS prevention.

10. A better understanding of the mechanisms of gender mainstreaming was made possible by providing assistance in formulating and implementing the Second National Action Plan for the Advancement of Women. UNDP aimed at improving women's capabilities for better livelihoods through access to information communication technologies (ICT) and small and medium-size enterprise (SME) development. A human development textbook in Lithuanian was produced to support the expansion of the human development courses that are fully integrated in the curricula of four universities. The National Human Development Reports continued to be UNDP's flagship publication.

11. In supporting environmental rights and responsibilities, UNDP facilitated the process of environmental education. As a result, the concept of sustainable development was included in university curricula. Support to Local Agenda 21 initiatives and the Local Governments Information Network (LOGIN) proved to be a valuable investment in administrative capacity strengthening at the local level, promotion of information technologies, building partnerships, and involving the participation of rural communities in local development schemes.

12. The main lessons learned from the previous CCF are: (a) having an overall approach, e.g., human rights, contributes to fostering linkages between different programme activities; (b) policy advocacy is effective in achieving progress in the implementation process; (c) gender has not always been productively integrated in projects; (d) although good measures have been taken on a decentralized level, it is evident that there is a greater need to scale up local initiatives and improve capacities.

III. Proposed programme

A. Linkage with the United Nations Development Assistance Framework

13. Since UNDP is the only United Nations organization in Lithuania with a multi-year country programme, a United Nations Development Assistance Framework is not required. The common country assessment (CCA) was updated in 2002 as a baseline analysis of Lithuania's situation from the perspective of the Millennium Development Goals (MDGs) with a view to contributing to government monitoring of its progress. The CCA/MDG Report links the MDGs with the European social inclusion requirements and shows their relevance even in high human development countries. The CPO, the World Bank's country assistance strategy for Lithuania for 2003-2005 and UNICEF's multi-year, multi-country programme for 2003-2005, which includes Lithuania, share common orientations related to social and human development.

B. Intended results

14. The intended results are outlined in the annex to the present document.

C. Cooperation strategies

15. The present country programme has been developed in consultation with the Government, civil society and other partners. It will concentrate on strengthening national capacities in the recognized practice areas of social inclusion, good governance and sustainable development. UNDP is committed to accompanying the Government in addressing Lithuania's specific needs related to the first years of EU membership. The technical and advisory expertise of UNDP will be used as leverage to direct resources to gaps that are identified.

16. Cooperation strategies will be built around the theme of assisting Lithuania, as an EU member and an emerging donor, to become an active contributor to international development cooperation in the achievement of the eighth MDG: "Develop a Global Partnership for Development". Lithuania is prepared to contribute to the regional activities of UNDP and participate in the "Wider Europe" initiative of the EU. The Lithuanian foreign policy principle of good-

neighbourly relations has already resulted in an increasing number of requests from Eastern European and CIS countries to share the experience of successful transition, demonstrated by one of the highest GDP growth rates in Europe in 2002. Lithuania has already supported cooperation programmes in the Kaliningrad region of the Russian Federation, Belarus, Ukraine and Moldova. Substantial synergies are expected from merging the potential of sharing the Lithuanian experience with UNDP's wide network of country offices and programme management expertise, also in cooperation with the Regional Bureau for Europe and the CIS Regional Support Centre in Bratislava. The partnership between UNDP and the Government will strengthen Lithuania's capacity as an emerging donor, and will facilitate the transfer of Lithuania's knowledge in the form of East-East and cross-border cooperation. For this purpose, development cooperation is to be mainstreamed in all activities of the UNDP country office, and establishment of a Regional Centre for Development Cooperation in Vilnius is envisaged.

Strengthening capacities for social inclusion

17. The programme will facilitate social inclusion through support to the implementation of the Poverty Reduction Action Plan, particularly in rural areas. The programme will support integrated local development initiatives through empowerment and capacity-building of rural communities. This will be done through the diversification of the rural economy, stimulation of new employment opportunities and improved ability to access rural development funds, particularly EU structural regional funds that will become available for national budgeting following accession in 2004. In partnership with the Government, the World Bank, CSOs and bilateral donors, the programme will stimulate the development of pro-poor policies. Mechanisms will be created to ensure that the impact of policies on poverty is routinely assessed. Efforts to increase national capacities to measure progress towards the achievement of national poverty reduction and social inclusion targets will be supported.

18. In cooperation with the UNAIDS co-sponsors, the programme will target planning and implementation of prevention strategies to address the spread of HIV among the general public and, especially, within vulnerable groups such as the prison population and youth. To this end, an integrated youth-friendly services initiative based on a developmental and multisectoral approach, grounded in local communities and young people's needs, will be offered in cooperation with UNICEF and UNFPA. In addition, together with other partners, advisory services will be provided to support Lithuania's access to global funds for the prevention of HIV/AIDS.

19. As a further measure to support gender mainstreaming, activities will be developed to enlarge the target audience to include men. The programme will link gender with other cross-thematic issues, such as ICT and poverty, in cooperation with bilateral donors. The programme will also include gender budgeting and gender-disaggregated data management.

Strengthening capacities for good governance

20. The programme on governance will be based on the application of existing human rights frameworks and support to the national administration in building capacities to efficiently manage the requirements for EU membership while benefiting fully from the resources available. Human rights strengthening will be carried out through support to implementation of the National Human Rights Action Plan. Efforts towards the prevention of corruption will concentrate on building coalitions of partners against corruption, including the Government, civil society and private sector organizations through education, information campaigns and consciousness-raising. Administrative capacities at all levels will be strengthened in order to develop and implement strategic development plans to absorb EU funds by applying modern ICT technologies and promoting networks of practitioners, as well as by creating mechanisms to reach targeted beneficiaries of social programmes through improved cooperation with civil society.

Strengthening capacities for sustainable development

21. The programme will comprise activities designed to support the Government in meeting commitments under international agreements and conventions on the environment and sustainable development and integrating them into national development policy and planning agendas. As a follow-up to the World Summit for Social Development, a National Sustainable Development Strategy is to be implemented through a

range of projects and, among others, will address concerns, such as the management of globally significant biodiversity areas, land degradation, persistent organic pollutants, climate change, as well as energy efficiency, by building on the practice of wide partnerships and cooperation, including government institutions, the scientific community, the private sector, and non-governmental organizations (NGOs). The GEF Small Grants Programme will continue to support projects by Lithuanian NGOs and community-based organizations to forge poverty-environment linkages and demonstrate the potential for community-led strategies and actions.

IV. Programme management, monitoring and evaluation

A. Monitoring

22. Project/programme steering committees and existing government bodies, such as the National Poverty Monitoring Commission, the Commission for Implementation of the National Human Rights Action Plan and the Commission for Sustainable Development, will be employed to monitor progress towards the achievement of results. UNDP will work closely with implementation partners to improve their specific ability to measure progress towards the achievement of national poverty reduction targets, to ensure that overall basic programme and project monitoring systems are in place and aligned with the results framework.

B. Execution and implementation

23. National Execution (NEX) will remain the preferred modality, using government entities, local authorities and NGOs. This will contribute to further capacity-building while allowing UNDP to provide advisory and operational support services, accompany national partners in channelling EU funds for priority social development areas, and facilitate the implementation of national programmes, based on established standards of accountability and transparency. Outcome evaluations and project/programme audits will take place according to standard UNDP procedures and requirements.

C. Resource mobilization

24. A resource mobilization strategy will be developed for the proposed programme. The strategy will be based on the UNDP comparative advantage in the areas reflected in the present document where, in most cases, results are already being generated, to support national partners in programming for EU funds and assisting in delivery in the transitional years of 2004-2006 following the EU accession. This major plank will be complemented by: (a) cross-border cooperation to be linked with development cooperation in the areas of HIV/AIDS, environment, human rights, and others; (b) regular outreach and interaction with partners through joint projects and full and timely reporting; (c) continued advocacy and communication activities in the main UNDP practice areas; (d) concerted efforts to capitalize on the funding available from various UNDP trust funds, facilities and programmes, as well as bilateral partners, foundations and the private sector.

25. Based on the above, a programme delivery of $5 million per annum is expected to be reached, mostly through government cost-sharing. UNDP expects to generate at least $7.5 million from the GEF.

26. The Government expects to meet 100 per cent of the local costs of the UNDP office.

Annex: Results and resources framework for Lithuania (2004-2006)

Development cooperation is a cross-cutting theme throughout all strategic objectives

Strategic objective 1: Expanded national and local capacity for socially inclusive policy development, implementation, monitoring and evaluation

Strategic areas of support	*Intended outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic area of support/outcome or programme area (in thousands of US dollars)*
Capacity of and partnerships between national institutions and CSOs responsible for the implementation and monitoring of the National Poverty Reduction Action Plan	- Strengthened capacities of the national multisectoral Poverty Monitoring entity to propose policy reforms (in the light of findings regarding the poverty situation), ensure that the impact of existing and new government policies on poverty are routinely assessed	- NGO network against poverty engaged in active dialogue with the Government on poverty social inclusion issues - National multisectoral poverty monitoring entity's reports on poverty situation publicly discussed	- NGO network against poverty established and trained in the major subjects of pro-poor policy advocacy, networking and monitoring - Detailed scope of work and institutional design of the National Poverty Monitoring entity elaborated and approved - Capacity-building requirements of the National Multisectoral Poverty Monitoring entity explored and addressed through training	*Regular resources*: 300
	- Enhanced capacity of decentralized governance institutions and communities for local social and economic development	- Number of active rural partnerships (baseline 2002: 3, target 2006: = 10) - Number of rural cooperatives (baseline 2002: 20, target 2006: 30) - Number of municipalities exercising youth-friendly services approach (baseline 2002: 0, target 2006: 6 - Number of regional ICT training centres for women (baseline 2002: 1, target 2006: 10) - Number of women trained by the centres in cooperation with the Lithuanian Labour Exchange (baseline 2002: 0, target 2006: 1,200)	- Advocacy campaign for establishing rural partnerships and development of integrated local development plans carried out - Rural partnerships trained in formulation and implementation of integrated rural development plans - Rural cooperatives network developed to assist in the dissemination of good practices, encourage mutual assistance and provide a voice for rural producers in government policy-making for agriculture and rural development - Selected municipalities trained in application of youth-friendly services approach - Regional ICT training centres established, sustainable and effective Increased capacity-building of women and women's NGO's	*Regular resources*: 150 *Other resources*: Government cost-sharing: 1 500 Third-party cost-sharing: 2 800 *Subtotal*: 4 750

Strategic objective 2: Strengthening national capacity in the promotion of human rights and implementation of good governance practices					
Promotion of human rights	- Strengthened capacity of Ministries and other government entities and CSOs in the promotion of human rights through implementation of the National Human Rights Action Plan	- Number of Ministries and other government entities actively engaged in implementation of the National Human Rights Action Plan (baseline 2002: 0, target 2006: 10) - Number of CSOs trained and engaged in implementation of the National Human Rights Action Plan (baseline 2002: 0, target 2006: 20) - Public trust in the effectiveness of the system of human rights protection significantly increased (baseline 2002: 3.5 per cent, target 2006: 20 per cent)	- Training of judges and law enforcement officials on the rights of the accused and the imprisoned carried out - Publications on human rights and human rights protection mechanisms developed and widely disseminated - Training on rehabilitation of child victims of violence conducted - Evaluation of institutions related to the protection of human rights and related legislation carried out, areas for improvement identified	*Regular resources* *Other resources* GCS TPCS	 107 120 50
Efficiency and accountability in the civil service	- Improved efficiency, accountability and transparency in the civil service meeting EU membership standards	- Number of local governments participating in the programme (baseline 2003: 0, target 2006: 20) - Improved rank of country according to the corruption perception index of Transparency International (baseline 2002: 4.8, target 2006: 5.1)	- Capacity-building programme for local government institutions to work with EU structural funds implemented - Sociological surveys on corruption in the public sector carried out - New model of law-making implemented - Capacity of 5 legal institutions strengthened	*Regular resources* *Other resources* GCS TPCS *Subtotal*	 150 1 800 50 *2 277*
Strategic objective 3: Strengthened capacity of national and local institutions for environmental management and sustainable development					
National capacity for participation in global conventions, regulatory regimes and funding mechanisms for environmentally sustainable development	- Environmental and sustainable development dimensions integrated in national and local development planning and policy frameworks	- Action plans to implement conventions on biodiversity, climate change, land degradation, persistent organic pollutants - Number of projects implemented with the support of Small Grants Programme (baseline 2002: 20, target 2006: 60)	- Capacity gaps identified and action plans to implement conventions on biodiversity, climate change, land degradation, persistent organic pollutants, etc., developed and integrated into national planning frameworks - Capacity of local community organizations and NGOs to address environment and sustainable development concerns strengthened through targeted training programmes and awareness-raising campaigns under the framework of Small Grants Programme - Measures to improve energy efficiency in dwellings and transport introduced based on positive outcomes of feasibility study	*Regular resources* *Other resources* GEF Subtotal	 150 7 500 *7 650*

Strategic objective 4: Expanded national capacity for promotion and facilitation of development cooperation (ODA)

National capacity for participation in development cooperation	- National capacities strengthened, mechanisms, structures and systems established for Lithuania's contribution to development cooperation - Complementarity increased between the EU development cooperation policies and national development cooperation priorities	- Lithuania's Development Cooperation Strategy under implementation (baseline 2002: draft Development Cooperation Strategy exists) - Increase per cent of GNP for development cooperation (baseline 2000: 0.03 per cent, target 2006: 0.1 per cent)	- *Regional Centre for Development Cooperation* established, training of staff carried out - Communication Strategy to accompany the Development Cooperation Strategy prepared and implemented - Mechanisms (codification of knowledge, rosters of experts) to coordinate and account the use of experience existing across sectors in the framework of East-East and cross-border cooperation	*Regular resources:*	100
				Other resources	
				GCS:	500
				TPCS:	400
				Subtotal	*1 000*
			Totals:	**Regular resources:**	**957**
				Other resources:	**14 720**
				Total	**15 677**